

### 3. Financial Arrangements.

- a. Platform Development. College/University will contribute \$ \_\_\_\_\_ million to edX for development of the edX platform. [Optional]
- b. Option A/University Self Service Model. Under the "University Self Service Model" edX will host courses and modules developed by individual faculty members without course production assistance from edX under the following terms:
  - i. EdX will host the self service courses on the edX platform for no initial charge. Courses created under the University Self Service Model will be offered as "Edge" branded courses until passing a quality review process.
  - ii. EdX and College/University will share Gross Revenue derived from such self service courses as follows:
    - 1. For self services courses, once edX receives the Minimum Payment (as defined below) College/University will receive 50% of gross revenue directly derived from such College/UniversityX courses, provided, however, that the items specifically mentioned in Section 3(g) are excluded from any revenue calculation ("Gross Revenue").
    - 2. EdX will receive 100% of Gross Revenue for self service courses until the aggregate Gross Revenue edX receives from all College/UniversityX courses at least equals (a) \$50,000 for each new self service course offered, plus (b) \$10,000 for each repeat self service course offered on the platform (such aggregate amount, the "Minimum Payment").
    - 3. For purposes of clarity, if, at any time during the term of this Master Agreement, College/University offers a new or repeat self service course on the edX platform, the revenue-sharing with respect to self service courses under clause 3(b)(ii)(1) above will be suspended until such time as edX has received the applicable Minimum Payment for such new or repeat self service course.
- c. Option B/EdX Supported Model. Under the "edX Supported Model," edX will host courses developed with course production assistance from edX under the following terms:
  - i. For each edX supported course, College /University will contribute to edX \$250,000 per new course and \$50,000 per repeat course (each, a "Base Payment"). Within ten (10) days of the execution of this Agreement, College /University will contribute to edX \$ \_\_\_\_\_ towards the initial edX supported courses selected by College /University.
  - ii. Following payment of the Base Payment for each edX supported course, EdX and College/University will share Gross Revenue derived from such edX-supported courses as follows:
    - 1. In the event College/University offers courses solely under the edX Services Model, College/University will receive no

less than 70% of Gross Revenue for such edX-supported courses.

2. Notwithstanding the foregoing, in the event College/University offers courses under both Option A and Option B, edX will receive 100% of Gross Revenue for edX-supported courses until the aggregate Gross Revenue edX receives from all College/UniversityX courses at least equals the applicable Minimum Payments (as defined in Section 3(b)(ii)(2) above). Once edX has received the applicable Minimum Payments with respect to all self service courses under Section 3(b), the revenue sharing with respect to edX-supported courses under clause 3(c)(ii)(1) above will commence. For purposes of clarity, if, at any time during the term of this Master Agreement, College/University offers a new or repeat self service course on the edX platform, the revenue-sharing with respect to edX-supported courses under clause 3(c)(ii)(1) above will be suspended until such time as edX has received the applicable Minimum Payments.
- d. Switching the Financial Model. After the first year, the College/University can switch the revenue structure associated with any particular course once every 12 months, provided that the College/University has paid the applicable Minimum Payments due. That is, for each repeat course, College/University can elect to pay \$50,000 up front and keep 70% of the Gross Revenue OR make no up front payment and keep 50% of Gross Revenue once the edX has received \$10,000 Minimum Payment for that course. For clarity, all applicable Minimum Payments must be paid before the College/University and edX begin the applicable revenue sharing model. No refunds will be given for amounts previously paid under a prior elected financial model.
- e. Continuous Courses. Courses offered on edX without a designated start and end date, for example, courses in which a student can enroll at any time throughout the year will be considered "repeat" courses every six months and subject to the repeat course fees outlined in Sections 3(a) and 3(b) above.
- f. Campus Use. College/University may offer its College/UniversityX courses to registered College/University students for free during the first twelve (12) months following the execution of this Master Agreement. Thereafter, the parties will negotiate a reasonable revenue model for campus use of College/UniversityX courses.
- g. Third-Party Agreements. EdX will be entitled to all net profits from agreements with third parties not directly related to College/UniversityX Courses including, for example, book sales on the site, proctoring services and any site-wide employee recruiting services.